

Green Tier Advisors  
December 16, 2005  
Room 413, GEF 2 Building  
101 South Webster Street, Madison

Interests and Expectations identified by Advisors

- Use Green Tier to get beyond “crises of the moment”.
- Dream beyond the status quo to change the way corporations approach environmental issues and find new ways for collaboration with DNR.
- Think of how Green Tier can replicate progress made in Europe, particularly the “pact system” in Bavaria.
- Use Green Tier as a tool to find new ways to protect the environment.
- Use the insights gained from the Environmental Cooperation Pilot Program, and Green Tier as the next step, to now focus on results.
- Green Tier provides the highest concentrations of acceptable options thereby providing win/win strategies.
- Understand how agriculture can use the Green Tier program and devise strategies for agriculture to make effective use of the program.
- Bring citizens & businesses together to discuss ways to reduce environmental footprint. This law can provide a new model for sound environmental public policies and have a huge environmental impact.
- Explore what role Green Tier can play in private, market-based approaches to solving environmental issues.
- Develop opportunities for applying Green Tier to development of brownfield properties.
- Presents opportunities for multi-media approaches to address environmental problems.
- Debunks the myth that environmental performance and economic growth cannot co-exist and create a paradigm that has economic growth and environmental performance as complimentary strategies.
- Green Tier becomes a model to deliver family supporting jobs that come from high performing businesses.
- Accomplish integration not just in the regulatory programs, but also in all programs.
- Looking for examples to share with clients that enable positive actions . -- LB

Meeting Protocols

We will produce Issue Papers and Meeting Notes that reflect the Advisors’ reasoning and conclusions. As much as possible, these will be in “bullet format”. The working document for the advisors will be issue papers – staff to develop an Issue Paper template for consideration by the Advisors. Recommendations will derive from the issue papers and a template that incorporates Recommendations will also be developed by staff. An updated list of pending issues will be maintained in order to track those issues awaiting consideration by the Advisors. A running tally of what’s left for the committee to work on will be maintained.

Notes, Issue Papers, Recommendations and other information about the work of the Advisors will be maintained on the Green Tier web site.

The advisors will consider the use of a blog site for dialogue on issues between quarterly meetings if open meetings and technical issues can be addressed. In order to assure transparency and satisfaction of open meetings requirements, staff will look at the open meetings requirements and ways to make the site easily accessible. How to use of the site and steps to assure that requirements are met will be presented to the Advisors on April 12, 2006.

#### Program Background

- Tier 1, Tier 2 and Charters were explained as the basic points of entry for the program. There are statutorily defined incentives, customized incentives through participation contracts for Tier 2 and new working relationships and creation of value through the use of the charters. Eligibility requirements for participation, definition of superior environmental performance and the reliance on the environmental management system were briefly outlined as operational components of Green Tier participation.
- Compliance Audits were explained as tools within the legislation and their role to limit fiscal exposure for self reported violations.
- The Advisors requested additional information/background on charters as a tool – to be supplied by staff.

#### Program Progress

- There are five (5) Tier 1 and one (1) Tier 2 agreements in place. In addition, there are two applications pending for enrollment in Tier 1. There are two charters in place and one that has been approved but not formally executed. One Compliance Audit has been completed and notifications have been received of three others underway. One notification of audit was withdrawn when the company decided to close the facility. There was a general review of the outreach that is being done to make entities aware of Green Tier.
- A Memorandum of Agreement was signed between the US Environmental Protection Agency and the Wisconsin DNR that outlines the work that will be done to advance the Wisconsin's Green Tier and EPA's Performance Track programs as performance based approaches used to obtain superior environmental performance. The agreement includes provisions for both developing incentives and encouraging program participation along with shared responsibility for program administration.
- The Advisors were given the current methods to determine "functional equivalency" of Environmental Management Systems. They were briefed on the way that the methods were developed to provide an example of the operational kinds of decisions that are being made for the program.
- The Advisors requested additional information about other similar programs (state, national, international) – basic background to be supplied by staff with more analysis to be supplied for discussion purposes at the meeting on April 12.

Elements of the Green Tier Advisors Work - a brief summary of the statutory elements for consider by the Advisors was presented outlining some options for addressing the statutory expectations.

- ❖ Areas of Emphasis - Goals and Priorities
  - By tools that the law provides
  - By the components of Superior Environmental Performance
  - By expectations for the Department
- ❖ Evaluate Costs and Results
  - Direct Analysis – examine and consider the costs and benefits that accrue to program participants.
  - Third Party Analysis – review the work done by a variety of parties and using their information to ascertain trends and needs.
  - Independent Analysis – commission the development of analytical work that would come to the Advisors for review and refinement.
- ❖ Proportionality
  - Direct – by examining each participation contract as they are developed
  - Precedent – by extracting, from a series of participation contracts, the elements that constitute proportionality for subsequent contracts
  - Principle/ Value – by creating a set of qualities that would be used to assess whether there is balance between flexibility and incentives. These qualities would be generally stated and applied across a broad range of contracts.
  - Combined analysis of other systems and examples – Create a body of information derived from agreements, contracts and other programs that would be used to assess and decide upon the equivalency of flexibility and incentives.
- ❖ Recommend program changes
  - By benchmark (sunset dates)
  - By event (reports)
  - By topic (as evaluations are done)
  - By calendar (e.g. once per year)

#### Discussion of Issues to Address

- Costs of EMS, particularly those costs of *not* doing an EMS need to be identified. How are these costs accounted for, and do they present opportunity costs, foregone costs, etc.
- DNR's capacity to deal with increasing interest in GT. Pointed out that if DNR staff don't see the transaction benefits, then difficult for them to participate/use GT.
- Municipal Participation: municipalities are not signing on to Green Tier primarily because developing an EMS is expensive and would be difficult to manage for them.

- Integrating energy issues into GT as a measure of success in protecting the environment.
- Possible budget proposal to include in the department's upcoming budget proposal.
- 'Transparency' – what's meant by it in terms of: a) what the law requires, and what goes beyond the elements contained in the law, i.e. what are examples of GT that can work.
- Develop evaluation mechanisms
  - a. To identify what we need in both business performance and program performance improvements.
  - b. Timeframe & metrics, i.e. Greenhouse gases as part of the energy issue, need to be developed. Metrics need to be uniform.
  - c. Need to define and measure collaboration with DNR, and how we measure success.
  - d. Need to define and measure collaboration with the public (to go beyond just what the law requires), and how we measure success.
- Integration:
  - using GT to look expansively at environmental issues;
  - looking within DNR for integration;
  - expand to other state agencies: DATCP, PSC, DOT. (Look at DNR: DOT MOU's as early models.)
- Charters Potential. (Brainstorm the broad range of options that might be available.)
- Review the environmental performance expectations of European and other foreign interests for their WI business operations.
- Branding GT needs to be expanded: brand development and marketing the brand. Consider how GT fits into the broader issue of economic development in the state. If GT becomes considered as yet *another* cost of doing business in Wisconsin, we will need to deal with this.
  - Engage Environmental groups,
  - Legislative
  - Business to business
- A marketing plan needs to be developed.
- Hear the skeptics and respond accordingly.

➤ Events and Attention:

- A possible governor-sponsored event for CEO's to learn the business value of GT and EMS, etc. to raise the profile of GT, and engage companies such as SC Johnson, Quadgraphics, Johnson Controls.
- The 'hole in the shield' is that citizens can still bring suit. Reducing legal requirements needs to be examined.

Summary of highest priority issues (by Mary Schlaefer)

- Evaluation of the program's results using measurable identifiable environmental gains.
- Identify Areas of Emphasis
- Develop marketing and branding plans

The Advisors requested that staff examine the issues identified, expectations of the advisors and statutory charge for the purpose of compiling a first draft of a timeline/work plan for consideration at the next meeting.

Prior to the next meeting the Advisors requested information about the evaluation work that has been done thus far – to be sent out by staff.

Next meeting date & agenda topics

**Next meeting: Wednesday, April 12, 2007 noon- 4:00  
Room G09 – GEF 2 – 101 South Webster St, Madison**

Next agenda:

- Areas of Emphasis
- Measures
- Work plan
- Counterpart performance programs